

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Lundberg Farms Partnership,
Debtors.

Chapter 12 Case

Case No. 21-40285

CHAPTER 12 PLAN

ARTICLE I

SUMMARY OF THE PLAN

This plan shall continue for a period of 60 months from its effective date. The property of the Debtor is being valued, and the claim of each secured creditor is being treated as secured in the amount of the value of the property securing such claim. Costs of administration are being paid on the effective date of the plan unless otherwise agreed to or directed by the Court. Priority claims are being paid in full as allowed. The Debtor will pay the Trustee no less than all disposable income, as that term is defined in 11 U.S. C. Section 1225, for Trustee administration and distribution to unsecured creditors. The deficiency claims of all secured creditors will be treated as unsecured claims unless otherwise ordered by the Court.

ARTICLE II

DEFINITIONS

1. "Creditors" means all entities having a claim against the debtor.
2. "Secured Creditor" means a creditor with a lien or security interest in property of the debtor.
3. "Claim" means a debt that is owed by the Debtor.
4. "Effective Date" means the date on which this plan is signed by all relevant parties.
5. "Trustee" means the Chapter 12 Trustee.

ARTICLE III

CLASSIFICATION OF CLAIMS

CLASS 1 Costs of Administration

CLASS 2 Secured Claims

 A. Minnwest Bank – Real Property

 B. AgCountry Farm Credit Services, PCA – Real Property and Blanket Lien

- C. Financial Security Bank – Real Property
- D. Deere & Company d/b/a John Deere Financial – Disk Ripper
- E. Deere & Company d/b/a John Deere Financial – 9460R Tractor
- F. Rabo AgriFinance LLC – Judgment Lien

CLASS 3 Priority Unsecured Claims

CLASS 4 General Unsecured Claims

CLASS 5 Executory Contracts and Leases

ARTICLE IV

TREATMENT OF CLAIMS AND INTEREST

CLASS 1 - Costs of Administration

Class 1 includes compensation and expenses of professionals and court costs and all expenses incurred by the Debtor after the filing of their petition and before the entry of the order of confirmation and expenses of professionals and court costs, shall be paid in full on the effective date of the plan. Claims for compensation and expenses of professionals and court costs shall be paid upon approval by the Court and as directed by the Court.

- A. Attorney's Fees – Attorney's Fees will be paid after court approval to Debtor's attorneys, Stermer & Sellner, Chtd., 102 Parkway Drive, P.O. Box 514, Montevideo, MN 56265.
- B. Trustee's Fees - The Chapter 12 Trustee shall make application to the Court for approval of Trustee's fee and for any reasonable and necessary expenses of the Trustee in effectuating the Trustee's duties under the Bankruptcy Code in administering this case. The Debtor shall pay an amount equal to five percent (5%) of all payments disbursed by the Chapter 12 Trustee as an estimated payment and the Trustee shall hold the fee until the Trustee's fees and expenses are applied for and approved by the Court. Once the Trustee's fees are approved, the Trustee shall pay them. If there are excess funds in the account at the end of the case, the money shall be paid to the unsecured creditors and any excess after paying the unsecured creditors shall be paid to the debtor, unless otherwise ordered by the Court.

All payments shall be made through the Chapter 12 Trustee unless otherwise stated herein.

Creditors shall only accept direct payments from the debtor if specified in the Plan.

CLASS 2 – Secured Claims

Class 1 consists of the following secured claims:

A. Minnwest Bank

Debtor owes Minnwest Bank approximately \$2,077,665.14, which is secured by Debtor's real property and real Property owned by Lundberg Farms Partnership (Case No. 21-40286). Debtor believes the real

property has a value of approximately \$4,183,900.00. Kevin Lundberg shall sell his Arizona property, and any remaining proceeds from that sale shall be paid to Minnwest Bank. Kevin Lundberg shall also sell the Carlson building site, Property ID 09-011-101. Minnwest Bank has a first position mortgage in this property, and all proceeds from that sale shall be paid to Minnwest Bank. These sales shall be free and clear of any liens, and the sale of the property shall be by motion and with court approval.

The remaining debt shall be refinanced into one loan secured by Debtor's real estate. Interest will accrue on this the new principal balance at a rate of 4.00% per annum. Principal and interest will be amortized for a 30-year term. Payments shall be made bi-annually in the amount of \$52,000.00, with the first payment due by June 1, 2022. Payment will be paid by Debtor, outside the plan. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time.

B. AgCountry Farm Credit Services, PCA

Debtor owes AgCountry Farm Credit Services, PCA ("AgCountry") approximately \$929,789.84, which is secured by Kevin Lundberg's real property and real property and personal property owned by Debtor. This debt is secured by a blanket lien on Debtor's personal farm property, including but not limited to, farm products, accounts, general intangibles, machinery, equipment, government agricultural program payments, inventory, chattel paper and proceeds. This also includes an interest in the property owned by Kevin Lundberg's wholly owned corporation, Lundberg Farms, Inc.

This debt shall be refinanced into one loan secured by Debtor's interest in pre-bankruptcy property, including Debtor's equipment and accounts receivable. Interest will accrue on this the new principal balance at a rate of 4.00% per annum. Principal and interest will be amortized for a 10-year term, and balloon in 5 five years. Payments shall be made bi-annually in the amount of \$57,500.00, with the first payment due by June 1, 2022. Payment will be paid by Debtor, outside the plan. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time. In addition, Debtor will be liquidating certain equipment and Southern Minnesota Beet Sugar Cooperative ("SMBSC") shares during the duration of the plan. Proceeds from the sale of this collateral will be applied to AgCountry's debt, but the payments shall not affect or lower the bi-annual payments.

C. Financial Security Bank

Debtor owes Minnwest Bank approximately \$236,113.00, which is secured by Kevin Lundberg's real property, property ID 09-010-3100. Debtor believes the real property has a value of approximately \$569,600.00. Interest will accrue on this the principal balance at a rate of 4.00% per annum. Principal and interest will be amortized for a 30-year term. Principal and interest will be fully amortized by way of equal payments. Payments shall be made bi-annually in the amount of \$6,800.00, with the first payment due by

December 31, 2021. Payment will be paid by Lundberg Farms Partnership, outside this plan. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time.

D. Deere & Company d/b/a John Deere Financial – Disk Ripper

Debtor owes Deere & Company d/b/a John Deere Financial (“JDF”) \$15,869.32, which is secured by a Ecolo-Tiger 870 Disk Ripper. Debtor believes the equipment has a value of approximately \$18,773.00. Interest will accrue on this the principal balance at a rate of 3.00% per annum. Principal and interest will be amortized for a 5-year term. Principal and interest will be fully amortized by way of equal payments. Payments shall be made annually in the amount of \$3,465.14.00, with the first payment due by December 31, 2021. Payment will be paid by Lundberg Farms Partnership outside this plan. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time.

E. Deere & Company d/b/a John Deere Financial – 9460R Tractor

Debtor owes Deere & Company d/b/a John Deere Financial (“JDF”) \$135,501.16, which is secured by a 9460R Four Wheel Drive Tractor. Debtor believes the equipment has a value of approximately \$135,000.00. Interest will accrue on this the principal balance at a rate of 5.00% per annum. Principal and interest will be amortized for a 5-year term. Principal and interest will be fully amortized by way of equal payments. Payments shall be made annually in the amount of \$31,297.32, with the first payment due by December 31, 2021. Payment will be paid by Lundberg Farms Partnership outside their plan. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time.

F. Rabo AgriFinance, LLC

Debtor owes Rabo AgriFinance, LLC (“Rabo”) approximately \$134,366.39, which is secured by judgment lien. Interest will accrue on this the principal balance at a rate of 4.00% per annum. Principal and interest will be amortized for a 15-year term. Principal and interest will be fully amortized by way of equal payments. Payments shall be made annually in the amount of \$12,500.00, with the first payment due by December 31, 2021. Payment will be paid by Trustee, during the term of the plan, than by Debtor once the plan has ended. Principal and interest will be fully amortized by way of equal payments. Debtor may prepay the claims in whole or in part at any time.

CLASS 3 – Priority Unsecured Claims

Class 3 consists of all claims entitled to priority under § 507, including the following:

- A. Internal Revenue Service: \$108,362.53 – Will be paid in full pursuant to class 4.

CLASS 4 – Unsecured Claims

Class 4 consists of general unsecured claims, claims of all unsecured creditors which are as a result of

damages arising as a result of the rejection of unexpired leases and/or executory agreements, claims resulting from the value of a secured claim being of a value less than the security held against held claim, and/or those secured creditors whose claims are determined to be unsecured, claims of all accommodation parties and co-makers or loans of which the Debtor is the principal, and claims for taxes and penalties which are not included in any other Class.

The two unsecured claims filed by Financial Security Bank are unsecured loans from the Paycheck Protection Program, that are subject to forgiveness. One loan has already been forgiven, and Debtor expect the other to be forgiven as well. Because these notes are subject to forgiveness, they will not be paid during the course of this plan. If the 2021 PPP loan is not forgiven, Debtor shall amend this plan to include payment of any unforgiven portion of that loan.

Debtors will pay the remaining allowed unsecured claims, in the total approximate amount of \$225,062.32, over the five-year term of the plan. The Debtors shall pay the unsecured creditors at least an amount equal to the amount required in the liquidation analysis set forth in Exhibit A. Debtor's anticipate that all unsecured creditors will be paid in full. Debtors' shall pay Trustee \$55,000.00 per year over the course of the plan for a total amount of \$262,500,000.00. Payments shall be made by December 31 of each year or earlier.

2021 Total Payment to Trustee	\$73,000.00
Trustee Fees	\$3,650.00
Debtor Attorney	\$6,000.00
Rabo Payment	\$12,500.00
Unsecured Creditors	\$50,850.00

2022 Total Payment to Trustee	\$73,000.00
Trustee Fees	\$3,650.00
Debtor Attorney	\$6,000.00
Rabo Payment	\$12,500.00
Unsecured Creditors	\$50,850.00

2023 Total Payment to Trustee	\$73,000.00
Trustee Fees	\$3,650.00
Debtor Attorney	\$6,000.00
Rabo Payment	\$12,500.00
Unsecured Creditors	\$50,850.00

2024 Total Payment to Trustee	\$73,000.00
Trustee Fees	\$3,650.00
Debtor Attorney	\$6,000.00
Rabo Payment	\$12,500.00
Unsecured Creditors	\$50,850.00

2025 Total Payment to Trustee	\$73,000.00
Trustee Fees	\$3,650.00
Debtor Attorney	\$6,000.00
Rabo Payment	\$12,500.00
Unsecured Creditors	\$50,850.00

CLASS 5 – Executory Contracts and Leases

Class 5 consists of executory contracts and leases existing as of the date of filing. All such executory contracts and leases are rejected unless specifically assumed in this section. The debtor assumes the following executory contracts and leases:

A. None

ARTICLE V

CONTINUATION OF FARMING OPERATION

The Debtor propose to continue their farm operation on a smaller scale and liquidate some of their property. Debtor shall defer from the income and proceeds of said operation sums of money for reasonable and necessary farm expenditures. Such expenses would include the ordinary, reasonable expenses that are set forth in the exhibits attached hereto, including payments to creditors outside of the plan and reasonable capital improvements, including machinery, equipment, and livestock. Debtor's projections of income, operating expenses, and payments are attached as Exhibit B.

The However, it is understood that any significant purchases that requires new debt to be incurred will need court approval. As part of the continuing farm operation, Debtor shall submit operating reports and bank statements on a monthly basis to the Chapter 12 Trustee. All disposable income as defined by 11 U.S.C § 1225(b)(2) received during the term of the plan will be applied to make payments under the plan.

ARTICLE VI

DISPOSABLE INCOME

The Debtors' projections of gross income, operating expenses, living expenses and plan payments indicate that it may have disposable income annually in the approximate amount of **\$100,000.00**. For the term of this Plan, all of the Debtor's disposable income, regardless of the amount, will be paid to the Trustee for payment of cost of administration and distribution to unsecured creditors. All

disposable income (future earnings not necessary for the continuation, preservation and operation of the farm and for the maintenance or support of the Debtor and his dependents) for 5 years following the effective date, shall be submitted to the Trustee for distribution. All creditors with Class 4 – General Unsecured Claims shall be paid a pro rata share of disposable income after administrative and priority claims have been paid.

ARTICLE VII

LIQUIDATION ANALYSIS

After deducting the amounts of the secured claims, exemptions, liquidation costs the Debtors' believe net equity in his property is \$658,049.72. General and priority unsecured creditors (but not including attorney's fees) will receive no less than \$225,062.32 over the life of the Plan, which will pay all the unsecured creditors who filed a claim in full. The Liquidation Analysis is attached as Exhibit A.

ARTICLE VIII

POST-PETITION GOVERNMENT TAX CLAIMS

Pursuant to 11 U.S.C. §1232(a), the claims of the IRS and the Minnesota Department of Revenue arising after the filing of the petition in this case and prior to the discharge as a result of the sale, transfer, exchange, or other disposition of property used in Debtor's farming operation shall be discharged and treated as unsecured claims arising before the date of filing and are not entitled to priority, i.e. part of Class 4. If the Debtor files a tax return for a period for which such a claim arises, the Debtor shall prepare and service a notice of the claim on the IRS and the Minnesota Department of Revenue in accordance with 11 U.S.C. § 1232(d)(2) and to the extent that the IRS, Minnesota Department of Revenue, or the trustee timely files a proof of claim pursuant to 11 U.S.C. § 1232(d)(3), the trustee shall pay the IRS and the Minnesota Department of Revenue as general unsecured creditors.

ARTICLE IX

EXECUTION OF PLAN AND CASH FLOW ANALYSIS

The debtor proposes to continue their farming operations and make the plan payments out of farm or other income. The debtor's projection of income, operating expenses, and plan payments are attached as Exhibit B.

ARTICLE X

RETENTION OF LIENS AND INCORPORATION OF DOCUMENTS

All creditors whose claims are treated as secured in this Plan shall retain his liens on the collateral securing their respective claims as specified in the Plan and until such claims are paid in full in the amount allowed as secured. Except as modified by the terms of this Plan, all documents evidencing indebtedness and security in favor of said secured creditors remain the same and are incorporated herein by reference as if more fully set out in this plan. This Plan and the Order confirming the Plan

may be recorded in the Office of the Register of Deeds of each county.

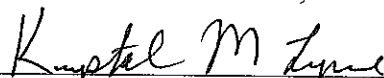
ARTICLE XI

GENERAL PROVISIONS

1. The Court shall retain jurisdiction over the Debtor and his property for the term of the Plan.
2. As part of the continuing farm operation, the Debtor shall submit operating reports and bank statements on a monthly basis to the Chapter 12 Trustee. The Debtor shall provide the Chapter 12 Trustee copies of tax returns annually once filed.

Dated: May 19, 2021

STERMER & SELLNER, CHTD.



Krystal M. Lynne Atty ID #0392816

Attorney for Debtors

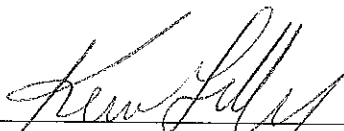
102 Parkway Drive, P.O. Box 514

Montevideo, MN 56265

Telephone: (320) 269-6491

E-mail: klynne@stermerlaw.com

Dated: May 19, 2021



Kevin Lundberg, Managing Partner

Lundberg Farms Partnership

Exhibit A

LIQUIDATION ANALYSIS

KEVIN LUNDBERG & LUNDBERG FARMS PARTNERSHIP

Asset	Value	Lien	2 nd Lien	Exemption	NE Value
Real Property					
Property ID 09-011-101	\$63,400.00	MB - \$63,400.00			\$0.00
Property ID 09-010-1000	\$560,800.00				\$560,800.00
Property ID 09-010-3100	\$569,600.00	FSB - \$240,000.00	MB - \$329,600.00		\$0.00
Property ID 1-010-3300	\$325,400.00	MB - \$325,400.00			\$0.00
Property ID 09-010-2100	\$294,100.00	MB - 294,100.00			\$0.00
Property ID 09-010-2200	\$807,900.00	MB - \$807,900.00			\$0.00
Property ID 06-0033-000	\$141,400.00	MB - \$141,400.00			\$0.00
Property ID 303-56-079	\$256,300.00	CU - \$90,000.00	MB - \$166,300.00		\$0.00
Property ID 09-016-2302	\$540,800.00	RAF- \$135,000.00			\$405,800.00
Chattel					
Equipment/Machinery	\$230,500.00	JD - \$151,370.48	AC - \$60,000.00		\$19,129.52
Vehicles					
1999 Chevy Pickup	\$7,500.00			\$5,000.00	\$2,500.00
2006 Chevy Pickup	\$2,000.00				\$2,000.00
Ford Service Truck	\$15,000.00				\$15,000.00
Household/Misc.					
Household Goods	\$7,500.00			\$7,500.00	\$0.00
Electronics	\$1,000.00			\$1,000.00	\$0.00
Misc. Clothing	\$500.00			\$500.00	\$0.00
Jewelry	\$750.00			\$750.00	\$0.00
Cash	\$200.00			\$200.00	\$50.00
Citizen's Alliance	\$500.00			\$375.00	\$125.00
Financial Security Checking	\$2,000.00			\$1,500.00	\$500.00
Financial Security Savings	\$100.00			\$75.00	\$25.00
Lundberg Farms Partnership	\$0.00			\$0.00	\$0.00
Lundberg Farms Inc.	\$350,000.00			\$0.00	\$350,000.00
Co-op Dividends	\$200,000.00			\$0.00	\$200,000.00
SMSBC Shares (40)	\$44,000.00			\$0.00	\$44,000.00
Sylvan Pontoon	\$3,500.00			\$0.00	\$3,500.00
2004 Larson Boat	\$3,250.00			\$0.00	\$3,250.00
Financial Security Checking	\$113,500.00	\$111,000.00 PPP			\$2,500.00
Account Receivable	\$45,000.00				\$45,000.00
SMSBC Shares (344)	\$344,000.00	AC - \$344,000.00			\$0.00
Steffes Proceeds	\$70,620.20				\$70,620.20
SMSBC Unit Retains	\$531,950.00	AC - \$531,950.00			\$0.00
SMSBC Spreckels	\$243,841.34				\$100,000.00
Hon Farms	\$0.00				\$0.00

Total NE Assets					\$1,164,750
Total NE Assets					\$660,049.72
Liquidation					
Chapter 7 Trustee Fees	\$67,383.00				
Liquidation Costs (15%)	\$220,665.00				
Liquidation Test					\$1,824,799.72

Please note that many of the secured creditors such as Minnwest Bank and AgCountry have a security interest in more property than noted above. But for purposes of the liquidation analysis, their claim as been limited to the value of their claim and the property necessary to cover their claim.

Kevin Lundberg Assets	
Lundberg Farms Partnership Assets	

Annual Cash Flow Plan Executive Summary

Projected Cash Flow Summary

Total operating inflow		599,903
Total operating outflow	(-)	315,148
Capital purchases	(-)	35,000
Capital sales	(+)	-
New credit	(+)	110,595
Loan payments	(-)	217,079
Net cash flow	(=)	143,271
Beginning cash balance	(+)	-
Change in operating loan	(+)	-
Ending cash balance	(=)	143,271

Beginning operating loan balance	-
Ending operating loan balance	-

Projected Change in Working Capital

Change in cash		143,271
Change in other current loans	(-)	110,595
Estimated change in working capital	(=)	32,676

Projected Income Statement

Gross cash farm income		595,103
Inventory change - income items	(+)	-
Gross revenue	(=)	595,103
Cash farm operating expense		315,148
Interest expense	(+)	217,079
Depreciation	(+)	-
Inventory change - expense items	(+)	-
Total farm expense	(=)	532,227
Net farm income		62,876

Projected Earned Net Worth Change

Net farm income		62,876
Personal income	(+)	4,800
Family living expense	(-)	-
Income taxes accrued	(-)	-
Earned net worth change	(=)	67,676

Term Debt Coverage

Net farm income from operations		62,876
Depreciation	(+)	-
Personal income	(+)	4,800
Family living expense	(-)	-
Income taxes accrued	(-)	-
Interest on term debt	(+)	217,079
Capital debt repayment capacity	(=)	284,755
Term debt payments		217,079
Capital debt repayment margin		67,676
Term debt coverage ratio		1.31

Financial Standards Measures

Liquidity	Beginning	Ending
Current ratio	-	1.3
Working capital	-	32,676
Working capital to gross revenue	- %	5.5 %
Solvency (market)		
Debt to asset ratio	- %	62.0 %
Debt to equity ratio	-	1.6

Profitability (market)

Net farm income		62,876
Rate of return on assets		314.1 %
Rate of return on equity		185.8 %
Operating profit margin		47.0 %
EBITDA		279,955

Repayment Capacity

Term debt coverage ratio (farm)		1.31
Replacement margin coverage ratio		1.31

Efficiency

Asset turnover rate (market)		667.6
Operating expense ratio		53.0 %
Depreciation ratio		- %
Interest expense ratio		36.5 %
Net farm income ratio		10.6 %

Other

Term debt coverage (farm+personal)		1.31
Term debt to EBITDA		-

Shocks to Farm Term Debt Coverage Ratio

10% decrease in gross income		1.04
10% increase in operating expenses		1.17
3% increase in interest rates		1.31

PROJECTED NET CASH FLOW

Cash Inflows	Quantity	Price	Inflow	Cash Outflows	Outflow
Sugar Beets	1,650 ton	45.00/ton	74,250	Seed and plants	15,673
Custom work income			275,950	Fertilizer	5,625
Other farm income			93,623	Crop chemicals	11,250
Farm rental income			151,280	Crop insurance	3,500
Personal business income			4,800	Fuel & oil	24,000
Total operating inflows			599,903	Repairs	34,000
				Custom hire	7,600
New Credit				Hired labor	94,300
FSB-PPP Loan			110,595	Owner wages & benefits	3,750
Total new credit			110,595	Land rent	18,750
				Machinery leases	84,700
				Farm insurance	12,000
				Total operating outflows	315,148
				Capital Purchases	
				Topper	35,000
				Total capital purchases	35,000
				Loan Payments	
				Individual-Trustee Beet	4,800
				FSB-PPP Loan	-
				Minnwest Bank-Land loan	97,716
				Individual-Trustee Sale	73,000
				FSB-land Loan	6,800
				John Deere Credit-9460R	31,298
				John Deere Credit-870	3,465
				Total loan payments	217,079
Total cash inflows			710,498	Total cash outflows	567,227
				Net cash flow	143,271

CROP & LIVESTOCK PRODUCTION

Enterprise	Units	Production Per Unit	Share	Operator Production
Sugar Beets	75.0 Acres	22.0 ton	100	1,650 ton
Total crops	75 Acres			

CROP INVENTORY SUMMARY

	Beginning Inventory	Produced	Purchased	Fed	Sold	Ending Inventory
Corn (bu.)	-	-	-	-	-	-
Sugar Beets (ton)	-	1,650	-	-	1,650	-

PROJECTED INVENTORY CHANGE

Commodity	Begin Inventor	\$/Unit	Begin Value	Ending Inventory	\$/Unit	Ending Value	Change
Accounts receivable			0			0	0
Hedging accounts			0			0	0
Other current assets			0			0	0
Total income items			0			0	0
Prepaid expenses & supplies			0			0	0
Growing crops			0			0	0
Accounts payable	(End)		0	(Beg)		0	0
Accrued interest	(End)		0	(Beg)		0	0
Total expense items			0			0	0
Total inventories			0			0	0

BALANCE SHEETS

	5/15/2021	Projected 1/1/2021
ASSETS		
Current Assets		
Cash and checking	-	143,271
Total current assets	-	143,271
Intermediate Assets		
Machinery	-	35,000
Total intermediate assets	-	35,000
Long Term Assets		
Total long term assets	-	-
Total farm assets	-	178,271
Personal assets	-	-
Total assets	-	178,271
LIABILITIES		
Current Liabilities		
FSB-PPP Loan	-	110,595
Total current liabilities	-	110,595
Intermediate Liabilities		
Total inter. liabilities	-	-
Long Term Liabilities		
Total long term liab.	-	-
Total farm liabilities	-	110,595
Personal liabilities	-	-
Total liabilities	-	110,595
Net worth	-	67,676
Net worth change	67,676	
Total debt to asset ratio	- %	62 %

Annual Cash Flow Plan Executive Summary

Projected Cash Flow Summary

Total operating inflow		2,466,138
Total operating outflow	(-)	1,997,665
Capital purchases	(-)	-
Capital sales	(+)	-
New credit	(+)	-
Loan payments	(-)	355,500
Net cash flow	(=)	112,973
Beginning cash balance	(+)	-
Change in operating loan	(+)	-
Ending cash balance	(=)	112,973

Beginning operating loan balance	-
Ending operating loan balance	-

Projected Change in Working Capital

Change in cash		112,973
Estimated change in working capital	(=)	112,973

Projected Income Statement

Gross cash farm income		2,446,138
Inventory change - income items	(+)	-
Gross revenue	(=)	2,446,138
Cash farm operating expense		1,997,665
Interest expense	(+)	355,500
Depreciation	(+)	-
Inventory change - expense items	(+)	-
Total farm expense	(=)	2,353,165
Net farm income		92,973

Projected Earned Net Worth Change

Net farm income		92,973
Personal income	(+)	20,000
Family living expense	(-)	-
Income taxes accrued	(-)	-
Earned net worth change	(=)	112,973

Term Debt Coverage

Net farm income from operations		92,973
Depreciation	(+)	-
Personal income	(+)	20,000
Family living expense	(-)	-
Income taxes accrued	(-)	-
Interest on term debt	(+)	355,500
Capital debt repayment capacity	(=)	468,473
Term debt payments		355,500
Capital debt repayment margin		112,973
Term debt coverage ratio		1.32

Financial Standards Measures

Liquidity	Beginning	Ending
Current ratio	-	n/a
Working capital	-	112,973
Working capital to gross revenue	- %	4.6 %
Solvency (market)		
Debt to asset ratio	- %	- %
Debt to equity ratio	-	-

Profitability (market)	
Net farm income	92,973
Rate of return on assets	793.9 %
Rate of return on equity	164.6 %
Operating profit margin	18.3 %
EBITDA	448,473

Repayment Capacity	
Term debt coverage ratio (farm)	1.32
Replacement margin coverage ratio	1.32
Efficiency	
Asset turnover rate (market)	4,330.5
Operating expense ratio	81.7 %
Depreciation ratio	- %
Interest expense ratio	14.5 %
Net farm income ratio	3.8 %

Other	
Term debt coverage (farm+personal)	1.32
Term debt to EBITDA	-

Shocks to Farm Term Debt Coverage Ratio

10% decrease in gross income	0.63
10% increase in operating expenses	0.76
3% increase in interest rates	1.32

PROJECTED NET CASH FLOW

Cash Inflows	Quantity	Price	Inflow	Cash Outflows	Outflow
Corn	380,190 bu.	4.25/bu.	1,615,808	Seed and plants	280,120
Haylage, Alfalfa	1,756 ton	105.00/ton	184,380	Fertilizer	212,100
Sugar Beets	5,000 ton	44.00/ton	220,000	Crop chemicals	76,024
Custom work income			275,950	Crop insurance	39,618
Other farm income			150,000	Drying expense	30,615
Personal business income			20,000	Fuel & oil	21,000
Total operating inflows			2,466,138	Repairs	45,000
				Custom hire	199,003
				Hired labor	100,000
				Land rent	841,035
				Machinery leases	38,650
				Building leases	25,000
				Real estate taxes	16,000
				Farm insurance	25,000
				Utilities	36,000
				Dues & professional fees	12,500
				Total operating outflows	1,997,665
				Loan Payments	
				Ag Country-loan	115,000
				Minnwest-Land	115,000
				St Bank Kerkhoven-Land	17,500
				John Deere Credit-9460R	31,500
				John Deere Credit-870	3,500
				Individual-Trustee	73,000
				Total loan payments	355,500
Total cash inflows			2,466,138	Total cash outflows	2,353,165
				Net cash flow	112,973

CROP & LIVESTOCK PRODUCTION

Enterprise	Units	Production Per Unit	Share	Operator Production
Corn	2,001.0 Acres	190.0 bu.	100	380,190 bu.
Haylage, Alfalfa	439.0 Acres	4.00 ton	100	1,756 ton
Sugar Beets	200.0 Acres	25.0 ton	100	5,000 ton
Total crops	2,640 Acres			

CROP INVENTORY SUMMARY

	Beginning Inventory	Produced	Purchased	Fed	Sold	Ending Inventory
Corn (bu.)	-	380,190	-	-	380,190	-
Haylage, Alfalfa (ton)	-	1,756	-	-	1,756	-
Sugar Beets (ton)	-	5,000	-	-	5,000	-

PROJECTED INVENTORY CHANGE

Commodity	Begin Inventor	\$/Unit	Begin Value	Ending Inventory	\$/Unit	Ending Value	Change
Accounts receivable			0			0	0
Hedging accounts			0			0	0
Other current assets			0			0	0
Total income items			0			0	0
Prepaid expenses & supplies			0			0	0
Growing crops			0			0	0
Accounts payable	(End)		0	(Beg)		0	0
Accrued interest	(End)		0	(Beg)		0	0
Total expense items			0			0	0
Total inventories			0			0	0

BALANCE SHEETS

	5/15/2021	Projected 3/1/2021
ASSETS		
Current Assets		
Cash and checking	-	112,973
Total current assets	-	112,973
Intermediate Assets		
Total intermediate assets	-	-
Long Term Assets		
Total long term assets	-	-
Total farm assets	-	112,973
Personal assets	-	-
Total assets	-	112,973
LIABILITIES		
Current Liabilities		
Total current liabilities	-	-
Intermediate Liabilities		
Total inter. liabilities	-	-
Long Term Liabilities		
Total long term liab.	-	-
Total farm liabilities	-	-
Personal liabilities	-	-
Total liabilities	-	-
Net worth	-	112,973
Net worth change	112,973	
Total debt to asset ratio	- %	- %

EXECUTIVE SUMMARY

	2023	2024	2025	2026
Total crop acres	2,639	2,639	2,639	2,639
Total labor hours	-	-	-	-
Change in farm assets	-	-	-	-
Change in farm liabilities	3,506,449	3,271,452	3,029,843	2,778,372

Crop Plan	Yield/Acre	Share				
Corn	190.0 bu.	100 %	2,000.0	2,100.0	2,064.0	2,064.0
Sugar Beets	28.0 ton	100 %	200.0	200.0	200.0	200.0
Hay, Green Chop, 2010	4.0 ton	100 %	439.0	339.0	375.0	375.0

Key Financial Measures

Net farm income	371,894	392,034	397,962	397,495
Cash surplus or deficit	140,844	149,453	146,981	140,993
Net worth change per year	369,838	389,438	395,207	394,752
Rate of return on assets	- %	- %	- %	- %
Term debt coverage ratio	1.40	1.42	1.41	1.40

Financial Shocks -- Cash Surplus With:

5% decrease in prices	42,114	48,838	47,044	41,056
5% increase in operating expenses	47,842	54,801	51,435	44,912
3% increase in interest rates	51,075	67,149	70,642	68,640

PROFITABILITY

INCOME STATEMENT			2023	2024	2025	2026
Corn	\$ 4.25/bu.		1,615,000	1,695,750	1,666,680	1,666,680
Sugar Beets	\$ 41.00/ton		229,600	229,600	229,600	229,600
Hay, Green Chop	\$ 105/ton		184,380	142,380	157,500	157,500
Custom work income			230,000	235,000	240,000	245,000
Other farm income			150,000	150,000	175,000	175,000
(A) Gross farm income			2,408,980	2,452,730	2,468,780	2,473,780
Seed			239,755	244,255	242,635	242,635
Fertilizer			189,325	189,225	189,261	189,261
Crop chemicals			73,000	75,400	74,536	74,536
Crop insurance			45,000	46,800	46,152	46,152
Drying expense			30,000	31,500	30,960	30,960
Interest			125,818	115,516	107,274	101,741
Fuel & oil			21,000	23,000	24,000	25,000
Repairs			45,000	48,000	49,000	51,000
Custom hire			199,003	210,000	200,000	190,000
Hired labor			100,000	105,000	120,000	125,000
Land rent			841,035	840,000	845,000	850,000
Machinery leases			38,650	40,000	45,000	48,000
Real estate taxes			16,000	16,500	17,000	18,000
Farm insurance			25,000	26,000	27,000	28,000
Utilities			36,000	37,000	38,000	40,000
Dues & professional fees			12,500	12,500	15,000	16,000
(B) Total cash farm expense			2,037,086	2,060,696	2,070,818	2,076,285
(C) Net cash farm income		(A-B)	371,894	392,034	397,962	397,495
(D) Depreciation			-	-	-	-
(E) Net farm income		(C-D)	371,894	392,034	397,962	397,495

PROFITABILITY MEASURES (Market)		2023	2024	2025	2026
Net farm income	(E)	371,894	392,034	397,962	397,495
Rate of return on farm assets	(H/I)	- %	- %	- %	- %
Rate of return on farm equity	(J/K)	- %	- %	- %	- %
Rate of return on added investment	(L/M)	- %	- %	- %	- %
Operating profit margin	(H/N)	15.7 %	15.7 %	15.5 %	15.2 %
Asset turnover rate	(N/I)	- %	- %	- %	- %
(F) Farm interest paid		125,818	115,516	107,274	101,741
(G) Value of unpaid oper labor & mgmt		120,449	122,637	123,439	123,689
(H) Return on farm assets	(E+F-G)	377,263	384,913	381,797	375,547
(I) Total farm assets		-	-	-	-
(J) Return on farm equity	(E-G)	251,445	269,398	274,523	273,806
(K) Total farm net worth		-3,506,449	-3,271,452	-3,029,843	-2,778,372
(L) Added return			7,651	4,534	-1,716
(M) Added capital invested			-	-	-
(N) Value of farm production		2,408,980	2,452,730	2,468,780	2,473,780

REPAYMENT CAPACITY**CASH FLOW**

Net cash farm income	(C)	371,894	392,034	397,962	397,495
Nonfarm income	(+)	20,000	20,000	20,000	20,000
Family living	(-)	-	-	-	-
Income taxes	(-)	22,057	22,597	22,755	22,743
Cash available for principal payments	(=)	369,838	389,438	395,207	394,752
Farm interest paid	(+)	125,818	115,516	107,274	101,741
Cash avail. for principal and interest	(=)	495,655	504,953	502,481	496,493
Ag Country-Loan		114,636	115,000	115,000	115,000
Minnwest-Land		115,000	115,000	115,000	115,000
Individual-Trustee		73,000	73,000	73,000	73,000
John Deere Credit-9460		31,500	31,500	31,500	31,500
John Deere Credit-870		3,500	3,500	3,500	3,500
Financial Security B-Jeans		17,175	17,500	17,500	17,500
Total scheduled principal and interest	(-)	354,811	355,500	355,500	355,500
Cash available after loan payments	(=)	140,844	149,453	146,981	140,993
Annual capital replacement		-	-	-	-
Principal paid on intermediate debt		-	-	-	-
(O) Cash required for replacement	(-)	-	-	-	-
Cash surplus or deficit	(=)	140,844	149,453	146,981	140,993

CAPITAL DEBT REPAYMENT CAPACITY		2023	2024	2025	2026
Net farm income	(D)	371,894	392,034	397,962	397,495
Depreciation	(+)	-	-	-	-
Nonfarm income	(+)	20,000	20,000	20,000	20,000
Family living	(-)	-	-	-	-
Income taxes	(-)	22,057	22,597	22,755	22,743
Interest on term debt	(+)	125,818	115,516	107,274	101,741
(P) Capital debt repayment capacity	(=)	495,655	504,953	502,481	496,493
(Q) Term debt payments	(-)	354,811	355,500	355,500	355,500
Capital debt repayment margin	(=)	140,844	149,453	146,981	140,993
(R) Cash required for replacement	(O)	-	-	-	-
Replacement margin		140,844	149,453	146,981	140,993
Term debt coverage ratio	(P/Q)	1.40	1.42	1.41	1.40
Replacement coverage ratio	(P/Q+R)	1.40	1.42	1.41	1.40

SOLVENCY**BALANCE SHEET (Market)**

Current farm assets		-	-	-	-
Intermediate farm assets	(+)	-	-	-	-
Long term farm assets	(+)	-	-	-	-
(S) Total assets	(=)	-	-	-	-
Current farm liabilities		211,602	221,750	231,476	241,601
Intermediate farm liabilities	(+)	-	-	-	-
Long term farm liabilities	(+)	3,294,847	3,049,702	2,798,367	2,536,771
(T) Total liabilities	(=)	3,506,449	3,271,452	3,029,843	2,778,372
Net worth	(S-T)	-3,506,449	-3,271,452	-3,029,843	-2,778,372

SOLVENCY MEASURES

Current debt to assets		n/a	n/a	n/a	n/a
Intermediate debt to assets		- %	- %	- %	- %
Long term debt to assets		n/a	n/a	n/a	n/a
Total debt to asset ratio	(T/S)	n/a	n/a	n/a	n/a

NET WORTH CHANGE

(E) Net farm income		371,894	392,034	397,962	397,495
Nonfarm income	(+)	20,000	20,000	20,000	20,000
Family living	(-)	-	-	-	-
Income taxes	(-)	22,057	22,597	22,755	22,743
Earned net worth change per year	(=)	369,838	389,438	395,207	394,752

FINANCIAL STANDARDS MEASURES	2023	2024	2025	2026
Liquidity				
Current ratio	-	-	-	-
Working capital	-211,602	-221,750	-231,476	-241,601
Working capital to gross revenue	-8.8 %	-9.0 %	-9.4 %	-9.8 %
Solvency				
Farm debt to asset ratio	n/a	n/a	n/a	n/a
Farm equity to asset ratio	- %	- %	- %	- %
Farm debt to equity ratio	-	-	-	-
Profitability				
Rate of return on farm assets	- %	- %	- %	- %
Rate of return on farm equity	- %	- %	- %	- %
Operating profit margin	15.7 %	15.7 %	15.5 %	15.2 %
Net farm income	371,894	392,034	397,962	397,495
EBITDA	497,712	507,550	505,236	499,236
Repayment Capacity				
Capital debt repayment capacity	495,655	504,953	502,481	496,493
Capital debt repayment margin	140,844	149,453	146,981	140,993
Replacement margin	140,844	149,453	146,981	140,993
Term debt coverage ratio	1.40	1.42	1.41	1.40
Replacement coverage ratio	1.40	1.42	1.41	1.40
Efficiency				
Asset turnover rate	- %	- %	- %	- %
Operating expense ratio	79.3 %	79.3 %	79.5 %	79.8 %
Depreciation expense ratio	- %	- %	- %	- %
Interest expense ratio	5.2 %	4.7 %	4.3 %	4.1 %
Net farm income ratio	15.4 %	16.0 %	16.1 %	16.1 %